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MATT RAYNOR

PAGE 02

**State of New Jersey**

Department of Environmental Protection

Division of Remediation Management & Response

P.O. Box 413

Trenton, New Jersey 08625-0413

James E. McGreevey
GovernorBradley M. Campbell
Commissioner

302587



JUN 22 2004

Matthew E. Raynor, Environmental Director
The Carlyle Group
5604 Preston Place
Raleigh, North Carolina 27604

RE: Willow Woods Mobile Home Community, West Deptford, NJ

Dear Mr. Raynor:

This is written in response to your letter dated February 6, 2004, regarding the referenced community, which is located adjacent to the Matteo Iron & Metal Site in West Deptford, NJ. You stated that the management company operating Willow Woods has concerns about their liability from residents trespassing on the adjacent Matteo site, which is a contaminated site being investigated by the NJDEP. Specifically, you stated that "We feel that we could be held liable if something is disturbed in respect with your work or someone is injured in conjunction with potentially contaminated areas," and you requested a letter stating that the State will not hold you liable.

We understand your client's concerns regarding trespassing by the residents. Your past actions of handing out notices and speaking to those involved are good steps. Posting signs and photographing them could also be a way of limiting your exposure to liability from residents, though we suggest you consult with your attorneys in this regard.

The NJDEP is still in the investigation phase at the Matteo site. At this time, there are no physical facilities or operating systems on the site that could be vandalized or damaged, other than monitoring wells. Also, the NJDEP believes that it is unlikely that a physical injury would result from the contamination on the site. A physical injury would be more likely to occur from typical "slip, trip, and fall" hazards, which are present on many undeveloped properties.

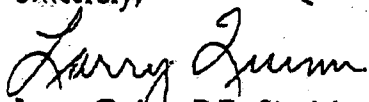
Some information about the contamination on the Matteo site might allay some of your client's fears. The NJDEP has found no environmental contamination on the Matteo site that would pose an immediate health threat to humans. In portions of the Matteo property, polychlorinated biphenyls (PCBs) have been found in surface soil at concentrations above New Jersey's residential and non-residential Soil Cleanup Criteria

(SCC). But in general, PCB concentrations are not high, and we would not expect any noticeable adverse health effects in humans unless frequent exposure (through ingestion or direct dermal contact) occurred over a period of many years.

Further, there is no known environmental contamination in the immediate vicinity of the property boundary between Matteo and Willow Woods. The closest area to Willow Woods with PCB contamination above the residential SCC in surface soil is a small area located approximately 100 feet from the property line. Therefore, residents would have to venture at least 100 feet onto the Matteo property to encounter any contaminated soil. The PCB concentrations in surface soil in that area are only marginally above the residential SCC.

However, we will continue to evaluate the situation and our options within the next couple of months, to determine if we should take any action to discourage or prevent trespassing on the Matteo property. We will advise you when any decisions are made. You may contact me at 609-633-0766 if you wish to discuss this matter further.

Sincerely,



Larry Quinn, P.E., Site Manager
Bureau of Case Management

C:

Brendan Ruane, DAG, NJDOLPS

9073 Nemo Street
West Hollywood, California 90069
Phone 310-550-8656
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The Carlyle Group

Fax

To: Nick Magriples	From: Joe Weber
Fax: 732-906-6182	Pages: 3
Phone:	Date: December 9, 2005
Re:	CC:

☐ Urgent ☒ For Review ☐ Please Comment ☐ Please Reply ☐ Per your request

Nick,

Attached is the letter we received in June 2004 from the State of New Jersey that gave us some comfort that the condition on the adjacent site was not an immediate concern.

Joe Weber

Chief Financial Officer

The Carlyle Group, Inc.